

Discusses need for legislation that supports local manufacturing

October 12, 2009

MARCUS HOOK, PA - Today, Congressman Joe Sestak (PA-07) met with members of the "Union (USW Local 12698)-Management Committee" at Congoleum Corporation's plant for vinyl flooring manufacturing in Marcus Hook. He addressed the how the economic crisis has impacted the manufacturing industry; the consequences of outsourcing on the manufacturing industry – Congoleum in particular; and the TRADE and the HIRE Acts.

"Between 1987 and 2007, the manufacturing sector accounted for 15 percent of overall growth of the U.S. economy, more than any other sector; however, while 46% of all R & D in the United States is still in the manufacturing sector, companies like Congoleum are facing extreme challenges as a result of the current economic downturn and international competition," said Congressman Sestak. "I believe that we need to come together as businesses, workers, and citizens to devise legislation that will protect our local jobs by figuring out what has worked to grow America's economy and what hasn't and putting those lessons into action."

Local companies like Congoleum have had to cut 33% (250 hourly and salaried workers) of their total workforce over the last 18 months due to the uncertain economic climate. Today, Congoleum has only 190 workers, as compared to 270 in 2006 and sales have decreased from \$170 million in 2006 to \$70 million in 2009.

U.S. manufacturing lost about three million jobs between 2000 and 2003, despite a dramatic growth in output. The Congoleum Corporation has to compete with inexpensive foreign flooring imports domestically and new flooring technology which has been developed in Europe and is now being manufactured in U.S. by internationally owned companies.

The Congressman seeks to promote local industry through legislation like H.I.R.E (Home Improvements Revitalize the Economy Act of 2009), which supports domestic manufacturing, gives more buying power to American consumers, and promotes environmentally-friendly product development. The Act provides an income-based tax credit for the purchase of residential building products and furnishings, which can go up to \$4,000 for "green" certified products from LEED, Green Globes, and Energy Star, to incentivize the purchase of products from residential building product and furnishing manufacturers like Congoleum.

Since his arrival in Congress, the Congressman has been a strong supporter of American manufacturing businesses and their workforce. On September 10, 2009, he wrote a letter to President Obama asking that trade tariffs be put on China to prevent them from saturating the market with underpriced tires and therefore giving U.S. tire manufacturers a fair shot. He also supports the Employee Free Choice Act (EFCA) which allows workers to organize to work out solutions to unfair labor practices. In a 2007 study by President Bush's National Labor Relations Board, 32 percent of the time that workers tried to unionize, workers were fired against the law, and 40 percent of the time, even after an election was won, a contract was never signed with the employees. EFCA would enable more companies to put together Union-Management Committees, like at Congoleum, and engage in the same kinds of constructive dialogue.

"The Congoleum Corporation has been at work for longer than 120 years," said Congressman Sestak. "And the hard work of the Union-Management Committee is going to ensure that the company continues to play a major role in the future of Delaware County as well as its past."